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# AUGUSTUS EXPLORATION LIMITED

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*June 4*  
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ANNUAL REPORT, 1963





# AUGUSTUS EXPLORATION LIMITED

## HEAD OFFICE

Suite 1600 - 100 Adelaide Street West, Toronto 1, Ontario

## OFFICERS

ASHTON W. JOHNSTON - - - - - *President*

WILLIAM McKEE - - - - - *Vice-President*

LESLIE E. WETMORE - - - - - *Secretary-Treasurer*

H. BRODIE HICKS - - - - - *General Manager*

JOHN A. KING - - - - - *Assistant Secretary-Treasurer*

## DIRECTORS

ASHTON W. JOHNSTON

WILLIAM McKEE

LESLIE E. WETMORE

H. BRODIE HICKS

W. CLARKE CAMPBELL

WILLIAM L. HOGG

ARCHIBALD B. WHITELAW

## TRANSFER AGENT AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA  
Toronto, Montreal, Calgary and Vancouver

## AUDITORS

THORNE, MULHOLLAND, HOWSON & McPHERSON  
Toronto, Ontario

## NINTH ANNUAL MEETING

New Brunswick Room, Royal York Hotel  
Toronto, Ontario, 11:00 a.m., June 24, 1964

# AUGUSTUS EXPLORATION LIMITED

May 13th, 1964

## DIRECTORS' REPORT

To the Shareholders:

We present the ninth annual report of the Company, including the consolidated financial statements and the report of the Auditors thereon.

### FINANCIAL

Net current assets record a moderate improvement over the previous year. The book value of shares in mining and exploration companies has not changed substantially, but the quoted market value shows a considerable decline due to a lower quoted market price for shares of The Canadian Faraday Corporation Limited in which the Company is the major shareholder. Faraday's operations are referred to later in this report.

Net income for the year amounted to \$199,964 as contrasted with a loss of \$391,305 in 1962. Deficit account shows an improvement of some \$68,000, after crediting net income, charging off the cost of mining claims dropped, and writing off advances made in prior years to various mining companies which currently are inactive.

### FIELD ACTIVITIES

#### Saskatchewan

For the past several years the Company, in partnership with Rayrock Mines Limited, has been carrying out an exploration programme over a withdrawal area in the Lac la Ronge district of northern Saskatchewan. Geological and geophysical surveys, supplemented by diamond drilling, have been successful in locating several structural zones in greenstone belts carrying gold values. Unfortunately, nothing of ore grade has been found to date.

#### Quebec

A geophysical survey was carried out on a 14-claim group in Joutel Township without significant results. Fifteen claims were acquired in Valrennes Township toward the end of the year, adjacent to the property of Massval Mines Limited. A work programme is being considered. Other Quebec claim groups remain in good standing.

#### Ireland

Roundtower Minerals, in which the Company has a one-third interest, continued a programme of soil sampling, geophysical surveying and diamond drilling on its various prospecting licenses. At year end, all but four of the licenses had been dropped. Additional drilling is currently planned on one of the licenses adjacent to the property of Consolidated Mogul Mines Limited.



## GENERAL

A large number of properties were submitted to the Company for consideration by the engineering staff. None of these were considered to warrant further exploration.

## ASSOCIATED COMPANIES

### The Canadian Faraday Corporation Limited

In 1963, the shareholders of Faraday Uranium Mines Limited approved a consolidation of the capital stock on a two for five basis, a change in name to The Canadian Faraday Corporation Limited, and the sale to Metal Mines Limited (formerly Nickel Mining & Smelting Corporation) of Faraday's net assets, exclusive of certain investments in shares of other companies, for a major share interest in Metal Mines Limited.

Faraday's future source of income will be dividends received from investments. Apart from its holding in Metal Mines Limited, Faraday is a substantial shareholder in the Canadian Silica Corporation Limited, Canada's leading supplier of silica sands and flour, and in Western Mines Limited, successfully developing a high-grade base and precious metals property on Vancouver Island.

### Metal Mines Limited

This company, controlled by Faraday, now operates the former Faraday uranium mine near Bancroft, Ontario, in addition to its nickel-copper mine at Gordon Lake, Ontario. It also carries on a diversified programme of mineral exploration.

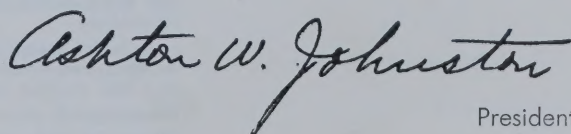
The Bancroft division operated throughout the year at its normal production rate of 65,000 pounds of uranium oxide per month. Contracts currently in force provide for continued production at this rate until the end of June, 1964. At that time, unless new markets develop, operations will be discontinued until world demand for uranium improves.

The Gordon Lake division also operated throughout the year, producing nickel-copper concentrates for sale, under contract, to The International Nickel Company of Canada Limited, at Sudbury, Ontario. Due to a number of difficulties encountered in bringing the mine to full production, profits were low for the year 1963 but, currently, the mine is producing at capacity and a satisfactory profit figure is now being achieved.

## ACKNOWLEDGMENTS

The Board gratefully acknowledges the valuable and loyal efforts made by all members of the Company's staff during the year.

On Behalf of the Board



President

# AUGUSTUS EXPLORATION LIMITED

## AND ITS WHOLLY OWNED SUBSIDIARY N M C SECURITIES LIMITED

*Both incorporated under the laws of Ontario*

(Note 1)

### ASSETS

#### Current assets:

Cash .....	26,232	
Dividends receivable .....	139,047	
Accounts receivable .....	40,785	
Prepaid expenses .....	2,091	208,155

#### Interest in mining properties and mining and exploration companies:

Shares in mining and exploration companies, \$3,254,169, less an allowance of \$400,000 (Quoted market value \$1,924,263) (notes 1 and 2) .....	2,854,169	
Mining claims and interests (note 3) .....	646,424	3,500,593

Fixed assets, at cost .....	66,826	
Less Accumulated depreciation .....	53,445	13,381

Approved on behalf of the Board:

H. BRODIE HICKS, Director.

L. E. WETMORE, Director.

\$3,722,129

The accompanying notes are

AUDITOR

To the Shareholders of  
Augustus Exploration Limited:

We have examined the consolidated balance sheet of Augustus Exploration Limited and its wholly owned subsidiary as at December 31, 1963 and the results of their combined operations on a basis consistent with that of the preceding year, except for the change in accounting treatment.

In our opinion the accompanying consolidated balance sheet and related consolidated statements of its wholly owned subsidiary as at December 31, 1963 and the results of their combined operations on a basis consistent with that of the preceding year, except for the change in accounting treatment.

Toronto, Canada  
February 20, 1963

# CONSOLIDATED BALANCE SHEET

DECEMBER 31, 1963

## LIABILITIES

### Current liabilities:

Bank loan, secured .....	50,000	
Accounts payable and accrued expenses .....	9,917	59,917

## SHAREHOLDERS' EQUITY

### Capital stock:

Authorized, 10,000,000 shares of \$1.00 par value each	
Issued, 4,321,477 shares .....	4,321,477

Contributed surplus .....	82,032
	4,403,509

Deficit .....	741,297	3,662,212
		<u>\$3,722,129</u>

egral part of this statement.

## REPORT

and subsidiary as at December 31, 1963 and the consolidated statements of income and deficit for the year ended on that date, in accordance with generally accepted accounting principles applied to the results of mining claims explained in note 3, which change we approve.

income and deficit present fairly the combined financial position of Augustus Exploration Limited and the year ended on that date, in accordance with generally accepted accounting principles applied to the results of mining claims explained in note 3, which change we approve.

THORNE, MULHOLLAND, HOWSON & McPHERSON  
Chartered Accountants



# AUGUSTUS EXPLORATION LIMITED

AND ITS WHOLLY OWNED SUBSIDIARY  
N M C SECURITIES LIMITED

## CONSOLIDATED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1963

### REVENUE

Dividends earned .....	272,606	
Engineering, geological and management fees, net .....	43,864	
Interest earned .....	3,015	
Profit on securities .....	12,228	
Sundry revenue .....	1,900	333,613

### EXPENSES

General exploration .....	55,239	
Administration .....	65,819	
Interest .....	8,046	
Depreciation .....	4,545	133,649
Net income for year .....		<u>\$ 199,964</u>

## CONSOLIDATED STATEMENT OF DEFICIT

YEAR ENDED DECEMBER 31, 1963

Deficit at beginning of year .....		809,694
Add:		
Cost of mining claims abandoned .....	64,291	
Advances to other companies written off (note 4) .....	67,276	131,567
		<u>941,261</u>
Deduct Net income for year .....		199,964
Deficit at end of year .....		<u>\$ 741,297</u>



# AUGUSTUS EXPLORATION LIMITED

AND ITS WHOLLY OWNED SUBSIDIARY  
N M C SECURITIES LIMITED

## NOTES TO CONSOLIDATED FINANCIAL STATEMENT

YEAR ENDED DECEMBER 31, 1963

### 1. Subsidiaries not consolidated:

The following subsidiaries, because of their inactivity, are not included in this consolidation:

Baycourse Mines Limited  
Greenoaks Mines Limited  
Ligneris Goldfields Limited

The total book value of shares of subsidiaries not consolidated is \$38,304. There is no quoted market value for these shares as at December 31, 1963.

### 2. Shares in mining and exploration companies:

The shares in mining and exploration companies are valued not in excess of cost, less an allowance of \$400,000.

Included in the quoted market value is \$191,141 representing escrowed shares which have been valued at 50% of the quoted market price of free shares.

### 3. Mining claims and interests:

The accounting treatment of mining claims and interests is as follows:

- (a) Profits and losses on disposals of claims are carried directly to the deficit account. In prior years profits and losses on disposals of claims acquired otherwise than by staking were carried directly into the statement of income. The cost of acquired mining claims abandoned during 1963 amounted to \$2,471.
- (b) Where a group of claims is disposed of other than en bloc, the entire proceeds of disposals are credited against cost of the group. No adjustment is made for profit or loss until the entire group is disposed of or proceeds of the sale of a portion of the group exceed the total cost of the group.

The stated value of mining claims and interests is determined as follows:

Balance at beginning of year .....		607,162
Add:		
Cost of claims since acquired .....	1,500	
Cost of claims since staked .....	2,500	
Acquired from Vankirk Mines Limited, in settlement of advances to that company .....	75,695	
Expenditures during year .....	23,858	103,553
		<hr/>
		710,715
Less Cost of claims abandoned during year .....		64,291
		<hr/>
		\$ 646,424

### 4. Advances to other companies written off:

These write-offs represent advances made in prior years to various mining companies, now inactive, for exploration and maintenance of their properties and corporate existence.







